continue holding the Annual Session in the fall, coordinating it with the annual meeting of the Washington and Idaho State Medical Associations and utilizing the same guest speakers when possible.

5. Voted to request the Committee on Revision of Constitution and By-Laws to consider the creation of the office of Speaker of the House of Delegates and that during the coming year the First Vice-President serve as Speaker.

6. Voted to refer to the Council for report at the spring meeting of the House of Delegates the questions of continuing the Oregon Physicians' Service and extending the benefits of the service to families.

7. Empowered the President to apprise Governor Earl Snell that the Society favors the establishment of a University Hospital at the University of Oregon Medical School for patients on the indigent level.

8. Expressed appreciation of the work of Mrs. A. J. McLean as editor of "The Service Bulletin."

9. Voted that a committee be appointed to cooperate with all interested agencies in a study of the health needs of the State.

10. Voted to recommend to the Council that a membership for medical students be created.

11. Voted in favor of the operation of a Dental School by the State Board of Higher Education.

12. Voted to request the State Board of Health to take immediate steps to eliminate as far as possible the mosquito and rat menace.

Comment or background of several of the matters acted upon as listed above is given elsewhere in this section.

OREGON PHYSICIANS SERVICE HOLDS ANNUAL MEETING

September 1 was Oregon Physicians Service day in Portland, when officials, members and affiliated physicians from all parts of the state assembled for the trustees' and directors' annual meetings and the banquet held for all stockholders.

Afternoon was devoted to the meeting of the Trustees or Class "A" stockholders, the chief item of business being the election of the directors for the ensuing year. The en-

tire directorate was reelected, consisting of D. R. Ross of Salem, Thompson Coberth of The Dalles, L. M. Spalding of Astoria, George I. Hurley of Eugene and Gordon B. Leitch of Portland.

Following the meeting of the trustees, the directors met to elect officers and dispose of routine business. D. R. Ross of Salem was reelected President; Thompson Coberth was reelected Vice-President; L. M. Spalding was reelected Secretary, and George I. Hurley was reelected Treasurer. President Ross, with Thompson Coberth and L. M. Spalding, will constitute the executive committee of the directors. Standing committees as previously published in NORTHWEST MEDICINE were unanimously reelected.

It was voted to conduct another campaign during September and October to increase the holding of Class "AA"

(This exhibit is part of the October 1944 issue of *Northwest Medicine*. It lists among its Board of Trustees members K. H. Martzloff, E. H. McLean, C. C. Schauffler of Oregon, and as an assistant editor T. D. Robertson of Oregon, and as associate editors Blair Holcomb and C. E. Hunt of Oregon.)

Plaintiff's Exhibit 499

5057 OREGON PHYSICIANS' SERVICE

Annual Meeting of Class A Stockholders and/or Voting Trustees

Gearhart, Oregon
September 25, 1946

The meeting was held at 2:30 P.M. at the Gearhart Hotel in Gearhart, Oregon and was called to order by the Vice-President, J. P. Brennan.

Class A Stockholders and/or Voting Trustees present were as follows: J. P. Brennan, Gordon B. Leitch, L. M. Spalding, Henry Garnjobst, J. D. Rankin, C. I. Drummond and Max W. Hemingway. W. W. Baum was present by special invitation. Administrative personnel of Oregon Physicians' Service were present as follows: Kenneth G. Manning, Joseph E. Harvey, Jr. and W. C. Marshall. Proxies received from Roderic Belknap, George I. Hurley and D. R. Ross were duly presented and recorded.

Due notice of the Annual Meeting of Class A Stock-

holders and/or Voting Trustees was presented and recorded.

Minutes of the Special Meeting of Class A Stockholders and/or Voting Trustees of March 2, 1946 were read and approved as read.

The consolidated financial statements of June 30, 1946 were reviewed and certain points were explained by the management. After discussion a motion was carried that the consolidated financial statements of June 30, 1946 shall be approved and ordered filed.

W. C. Marshall rendered a report outlining the operations of Oregon Physicians' Service during the past fiscal year and stating promotion and general administrative plans for the future. After discussion a motion was duly carried that the report of the management shall be accepted and that a vote of confidence shall be given to the management.

Nominations were open for the election of five members of the Board of Directors for the ensuing year. Individual nominations were made for each of the five positions and individual motions were made and carried unanimously for the closing of nominations and the instructing of the secretary to cast an unanimous ballot in each in-
5058 stance, resulting in the ensuing year, that each Chairman shall name his additional committee men and that the same assignments of committees as utilized during the past year shall be placed in effect for the ensuing year. As a result of this action the chairmanships of standing sub-committees of the Board of Directors for the ensuing year shall be as follows: Professional Relations Committee, Gordon B. Leitch; Public Relations Committee, J. P. Brennan; Legal Relations Committee, D. R. Ross; Subscriber Relations Committee, L. M. Spalding; Employer Relations Committee, C. I. Drummond.

The management reported that notice had been served on the subscribing group of C. D. Johnson Lumber Corporation employes in Toledo, Oregon that the first aid station operated by Oregon Physicians' Service in that location will be closed effective October 1, 1946 and that very strenuous protest to such proposed closing had been registered by the leaders of the subscribing group involved. A letter and a telegram currently received in regard to these protests from the subscribing employes were read and are affixed to this minute book next hereto. Henry Garnjobst, by invitation of the Board of Directors, reviewed his impressions of the Lincoln County situation

resulting from a visit with the Medical Society of that county fairly recently. Considerable discussion ensued and a motion was duly carried unanimously that notification be sent to the Lincoln County Medical Society that Oregon Physicians' Service has notified the subscribing group at Toledo that the first aid station and nurse at that location would be removed effective October 1, 1946 and that due to the strenuous objections presented by the leaders of the involved subscribing group upon receipt of such notification the Board of Directors hereby refers back to the Lincoln County Medical Society for settlement the matter of continuance or discontinuance of such first aid station and nurse.

Plaintiff's Exhibit 500

5060 OREGON PHYSICIANS' SERVICE

Organization Meeting of Board of Directors

Gearhart, Oregon
September 25, 1946

The meeting was held at 3:30 P. M. at the Gearhart Hotel in Gearhart, Oregon, and was called to order by the temporary Chairman, J. P. Brennan.

Directors present were: J. P. Brennan, Gordon B. Leitch, L. M. Spalding and C. I. Drummond. Other Class A Stockholders and/or Voting Trustees were present as follows: Henry Garnjobst, J. D. Rankin and Max W. Hemingway. Administrative personnel of Oregon Physicians' Service also were present as follows: Joseph E. Harvey, Jr., Kenneth G. Manning and W. C. Marshall.

Due notice of meeting was read and ordered filed.

Minutes of the Meeting of the Board of Directors of September 7, 1946 were read and were approved as read.

Individual nominations and individual motions unanimously carried closing nominations and instructing the Secretary to cast an unanimous ballot in each instance resulted in the election of officers for the ensuing year as follows: President, D. R. Ross; Vice-President, J. P. Brennan; Secretary, C. I. Drummond; Treasurer, Gordon B. Leitch.

It was noted that the President automatically serves as a member of the Executive Committee as provided in the By-Laws. Nominations individually made and separate motions individually carried unanimously for the closing

of nominations and the instructing of the Secretary to cast an unanimous ballot in each instance resulted in the election of the two additional members of the Executive Committee for the ensuing year, as follows: J. P. Brennan and L. M. Spalding.

The matter of election of standing sub-committees of the Board of Directors for the ensuing year was opened. A motion was duly carried unanimously that each member of the Board of Directors shall act as the Chairman of one standing sub-committee of the Board of Directors
5061 for the election as members of the Board of Directors for the ensuing year of the following: D. R. Ross, J. P. Brennan, L. M. Spalding, Gordon B. Leitch and C. I. Drummond.

W. W. Baum, by special invitation, presented for consideration the possible desirability of limiting the terms of Class A Stockholders and/or Voting Trustees of Oregon Physicians' Service to five years instead of the ten years now specified. Considerable discussion ensued with regard to this matter. A motion was duly carried unanimously that no change with regard to the length of terms of Class A Stockholders and/or Voting Trustees shall be recommended at this time.

Upon call from the Chairman for consideration of any unfinished business or new business, no additional business was presented.

(Signed) M W Hemingway
Acting Secretary

Plaintiff's Exhibit 501

5062 OREGON STATE MEDICAL SOCIETY

Medical-Dental Building
Portland 5, Oregon

February 4, 1947

Dr. C. I. Drummond, Secretary
Oregon Physicians' Service
Pittock Block
Portland 5, Oregon

Dear Dr. Drummond:

This letter is to inform you that the Council, at its meeting on February 1, 1947, voted unanimously to recommend that the Board of Directors of the Oregon Physicians'

Service adopt a revised fee schedule that will provide a general increase in the fees.

Very sincerely yours,

OREGON STATE MEDICAL SOCIETY

By (Signed) THOMAS S. SAUNDERS
Secretary

CCF p H

Plaintiff's Exhibit 502

5063 UMATILLA COUNTY MEDICAL SOCIETY

Pendleton, Oregon

Feb. 17, 1947

Oregon Physicians' Service
471 Pittock Block
Portland, Oregon

Gentlemen:

At the last meeting of the Umatilla County Medical Society, it was voted that the salary limitation be removed to correspond to that generally in effect throughout the State, and the limit of membership in the Oregon Physicians' Service was changed from fifteen to six.

It is expected that with this change the number of Oregon Physicians' Service accounts in Umatilla County should be increased considerably.

We will be glad to assist you in any way possible to secure new accounts for the Oregon Physicians' Service.

Yours very truly,

(Signed) LOUIS J FEVES M D
Umatilla Medical Society

By: Louis J. Feves, M.D.
Secretary

Plaintiff's Exhibit 503

5064

DRS. GILSTRAP & KIRBY
Physicians and Surgeons
Sommer Building
La Grande, Oregon

C. L. Gilstrap, M. D., F. A. C. S.
Edwin G. Kirby, M. D., F. A. C. C. P.

February 22, 1947

W. C. Marshall, General Manager
Oregon Physicians' Service
471 Pittock Block
Portland, Oregon

Dear Sir:

This is to notify you that the Union County Medical Society on February 19, 1947 unanimously approved the extension of family-type coverage through Oregon Physicians' Service in Union County.

Yours truly,

(Signed) Edwin G. Kirby M. D.
Edwin G. Kirby, M. D.

EGK:fg

Plaintiff's Exhibit 504

5065

E. L. HURD, M. D.
Physician and Surgeon
Clinic Building
Albany, Oregon

July 12, 1947

Mr. Willard Marshall
Oregon Physician Service
Salem, Oregon

Dear Mr. Marshall,

On July 10, 1947 the Linn County Medical Society heard the delegate's report from the last meeting of the house of delegates of the state society.

It was noted in the report that the state society ap-

proved several special contract forms for OPS coverage of family and other groups.

It was understood that the OPS would not enter a county with this coverage until requested by the local medical society.

The Linn County Medical Society voted to invite the OPS to enter the county with any or all forms of special coverage previously approved by the Oregon State Society.

Dr. Langmack, the secretary, will also notify you of this resolution and incidentally, the Barrett Bros. Implement Company of Albany inquired recently if the families of the employees could join the OPS.

Sincerely,

(Signed) E L HURD
E. L. Hurd, M. D.
President Linn County
Medical Society

Plaintiff's Exhibit 505

5066 OREGON PHYSICIANS' SERVICE

Annual Meeting of Class A Stockholders and/or Voting Trustees

Portland, Oregon
September 4, 1947

The meeting was held at 1:00 P. M. at the University Club in Portland, Oregon and was called to order by the President, D. R. Ross.

Class A Stockholders and/or Voting Trustees present were as follows: D. R. Ross, J. P. Brennan, Gordon B. Leitch, L. M. Spalding, Henry Garnjobst, J. D. Rankin and Max W. Hemingway. Administrative personnel of Oregon Physicians' Service were present as follows: Joseph E. Harvey, Jr., Kenneth G. Manning, A. W. Knox and W. C. Marshall. Proxies received from Roderic Belknap and C. I. Drummond were duly presented and recorded.

In the absence of the Secretary, J. P. Brennan was duly named as Acting Secretary.

Due notice of the Annual Meeting of Class A Stockholders and/or Voting Trustees was presented and recorded.

Minutes of the Special Meeting of Class A Stockholders and/or Voting Trustees of June 7, 1947 were read and approved as read.

The consolidated financial statements of June 30, 1947 were reviewed and certain points were explained by the management. After discussion a motion was carried that the consolidated financial statements of June 30, 1947 shall be approved and ordered filed.

W. C. Marshall rendered a report outlining the operations of Oregon Physicians' Service during the past fiscal year and stating general administrative plans for the future. Discussion ensued and several questions were answered. A motion was duly carried that the report of the management shall be accepted.

The lay-outs of twelve proposed newspaper advertisements involved in the forthcoming O. P. S. educational campaign were viewed and a motion was duly carried that the general progress of this campaign up to the present time shall be approved.

5067 Nominations were opened for the election of five members of the Board of Directors for the ensuing year. Individual nominations were made for each of the five positions and individual motions were made and carried unanimously for the closing of nominations and the instructing of the Secretary to cast an unanimous ballot in each instance, resulting in the election as members of the Board of Directors for the ensuing year of the following: D. R. Ross, J. P. Brennan, L. M. Spalding, Gordon B. Leitch and C. I. Drummond.

Upon call from the Chairman for consideration of any unfinished business or new business, no additional business was presented.

(Signed) J P Brennan
Acting Secretary

Plaintiff's Exhibit 506

5068 OREGON PHYSICIANS' SERVICE

Meeting of Board of Directors

Portland, Oregon
October 2, 1948

The meeting was held at 10 a.m. at the O. P. S. Portland Office, 1214 S. W. 6th Avenue, and was called to order by the Secretary, C. I. Drummond, in the absence of the President and Vice-President.

Directors present were: C. I. Drummond, Gordon B. Leitch and L. M. Spalding. Administrative personnel of Oregon Physicians' Service also were present as follows: Joseph E. Harvey, Jr., Kenneth G. Manning and W. C. Marshall.

Due notice of meeting was read and ordered filed.

A motion was duly carried that the reading of the Minutes of the Board of Directors Meeting of September 15, 1948 shall be waived in view of the fact that each Director previously had received a copy of said minutes and that these minutes shall be approved.

A statement from Dr. R. B. Evans of Portland was read in connection with his request that the Board of Directors reconsider its previous action in recalling the Cooperating Agreement and Class AA stockholding of Dr. Evans. After discussion a motion was duly carried that the communication from Dr. Evans shall be filed without prejudice and shall be referred to the Multnomah County Supervisory Committee for due consideration and for the issuance of any possible additional recommendations.

A communication from Dr. Wendell H. Hutchens of Portland was read and a motion was duly carried that the communication shall be accepted for filing and a reply shall be sent to Dr. Hutchens stating that the contents of the letter will be given full consideration by the Board of Directors.

Recommendations from the Multnomah County Supervisory Committee were considered as stated in the Minutes of the Meeting of said Committee of September 27, 5069 1948, as follows:

"It was moved by Dr. R. H. Kaufman, seconded by Dr. Guy R. McCutchan, and unanimously carried to recommend to the O.P.S. Board of Directors that it give serious consideration to altering O.P.S. Employe Group Contracts in a manner that would require the subscriber to pay directly to his physician the cost of the first visit in any single illness.

It was moved by Dr. Guy R. McCutchan, seconded by Dr. T. J. Pasquesi, and unanimously carried to recommend to the O.P.S. Board of Directors that Employe Group Contracts be altered in a manner to provide that subscribers to these contracts with net taxable incomes in excess of $6,000 per year be placed on an "indemnity" basis, the payment by O.P.S. on behalf of such subscribers to be considered as "allowances" toward the physician's total charge.

Management explained a legal opinion in which it was concluded that if the business office of O.P.S. desired access to hospital chart records it would be necessary to secure both the subscriber's and his attending physician's authorization. It was moved, seconded, and carried to recommend to the O.P.S. Board of Directors that O.P.S. contracts be altered in such a manner as to provide the above mentioned authorization from subscribers at the time they initially come under O.P.S. contracts.

It was moved, seconded, and carried to recommend to the O.P.S. Board of Directors that it seriously consider requesting all hospitals that cooperate with O.P.S. to grant a discount on hospital bills; with the alternative in the event the hospitals reject such a request, of altering O.P.S. contracts in such a manner as to provide that payment for hospital services be made directly to O.P.S. subscribers."

After full consideration a motion was duly carried that a communication shall be directed to the Multnomah County Supervisory Committee stating that the Board of Directors believes that these same points of interest will be given full consideration by the forthcoming study to be made by a statewide committee to be named by the Oregon State Medical Society and that the best interests of all parties concerned will be served through joint consideration of the problems with the state committee.

In connection with additional consideration of the possible use of penicillin in office and home administration under O. P. S. contracts, a motion was duly carried that Clatsop County shall be authorized to permit the use of penicillin for office and home administration under O. P. S. contracts for a limited period and that the experi-
5070 ence with penicillin use in the Clatsop area shall be reported back to the Board of Directors in three months for consideration by the Board of Directors.

A report concerning attendance at the Western States Conference held at Reno, Nevada on September 18 and 19, 1948 was given by W. C. Marshall. Additional discussion ensued with reference to current Blue Cross-Blue Shield proposals and to a determination of possible representation of O. P. S. at the forthcoming Annual Conference to be held at French Lick Springs, Indiana. A motion was duly carried that Gordon B. Leitch and W. C. Marshall shall be named to represent Oregon Physicians' Service at the

French Lick Conference and that each shall have the privilege of naming an alternate in event of unforeseen circumstances which might prevent attendance.

Upon call from the Secretary, acting as Chairman, for consideration of unfinished business or new business, no additional business was presented.

The meeting adjourned in due form.

(Signed) J. P. Brennan
Acting Secretary

Plaintiff's Exhibit 507

5071 OREGON PHYSICIANS' SERVICE
COOPERATING PHYSICIAN'S
AGREEMENT

This agreement made and entered into by and between the OREGON PHYSICIANS' SERVICE, an Oregon Corporation, and the undersigned PHYSICIAN, WITNESSETH:

That for and in consideration of the mutual benefits that will accrue to each of the parties hereto and to the Medical Profession of the State of Oregon, it is hereby agreed that the compensation to be paid by OREGON PHYSICIANS' SERVICE and accepted by PHYSICIAN for medical or surgical service which PHYSICIAN may render to OREGON PHYSICIANS' SERVICE subscribers from time to time, shall be as follows:

1. Charges by PHYSICIAN for services rendered to subscribers to OREGON PHYSICIANS' SERVICE, shall be initially based upon the fee schedule approved by the Directors of OREGON PHYSICIANS' SERVICE; provided, however, that said charges shall be subject to the approval of OREGON PHYSICIANS' SERVICE; and provided, further, that settlements between OREGON PHYSICIANS' SERVICE and PHYSICIAN shall be quarterly unless it should be decided by OREGON PHYSICIANS' SERVICE to make such payments monthly.

2. As full consideration for services rendered by PHYSICIAN hereunder, OREGON PHYSICIANS' SERVICE agrees to pay, and PHYSICIAN agrees to accept, such percentage of PHYSICIAN's base fees for services rendered hereunder during each quarterly period as the total net income of OREGON PHYSICIANS' SERVICE during such quarterly period bears to the total

fees of all OREGON PHYSICIANS' SERVICE physicians charged and approved hereunder during such period. Settlement made each period shall be final with respect to all charges of each physician made and approved hereunder during such period. It is further agreed that present or future OREGON PHYSICIANS' SERVICE Divisional Agreements involving separate actuarial pooling of funds shall not be involved or affected by this agreement.

This agreement may be terminated with respect to either party hereto by either party giving to the other, ninety (90) days notice in writing.

PHYSICIAN requests that his relationship to OREGON PHYSICIANS' SERVICE be as indicated below: (Please Check ONE.)

1. General staff .....
2. Consulting staff only .....
   Specialty .....
3. Available for service to own patients only—name not to be included in published staff list .....
4. Approve the organization, but not available for service by reason of type of specialty practice, or governmental or institutional employment .....

Executed on behalf of OREGON PHYSICIANS' SERVICE this ..... day of ....., 19...., and by the undersigned PHYSICIAN on the date indicated after his signature hereto.

.....
Physician

.....
Address

.....
Date

OREGON PHYSICIANS' SERVICE

By .....
General Manager

Please complete and sign both copies and mail to OREGON PHYSICIANS' SERVICE, 471 Pittock Block, Portland 5, Oregon. A fully executed copy will be returned for your records.

Plaintiff's Exhibit 508

5072

TREATMENT REQUISITION

OREGON PHYSICIANS Service

Must Be Furnished at First Call To Doctor

DIVISION OFFICE
1214 S. W. 6th AVE.
PORTLAND 4, OREGON
ATWATER 8691

O.P USE ONLY (Code)	
Cover	
Service	
Starting Date	
Procedure	
Diagnosis	

INDUSTRIAL ACCIDENTS ARE NOT COVERED

To be used only by Employe Full Coverage Member.
Valid only when presented to O.P.S. Physicians' Office.

Name..... Continuous member since..... DATE

O.P.S. Membership No.....

Employe of..... Contract No.....

has paid dues for period ending..... 19....., and requires treatment.

Issued by..... on..... DATE

Signature of Subscriber.....

Address of Subscriber.....

FOR DOCTOR'S USE
Bills cannot be cleared for payment unless complete information is given.

DIAGNOSIS:.....

Date of onset (present episode)..... Date of origin..... (If prior history)
(If more than one condition involved, distinguish dates of onset. Use reverse side of bill if necessary.)

CAUSE: (*Check one*): ☐ Sickness ☐ Traffic accident ☐ Industrial injury ☐ Injury from other cause ☐ Occupational disease

Status of case: (*Check one*): Total number of calls this month.....
☐ New this month; completed this month. ☐ Continued from previous month; completed.
☐ New this month; continued into next month. ☐ Continued from previous month; continued.

Itemization of professional services:

DATE	SERVICE RENDERED	Fees

508
4255

..... Code No.....
Attending Physician

O.P.S. USE ONLY

Type of Coverage	Service
Effective Date	Fee

P-S SOM 6-R 12-47

Nights, Sundays and Holidays Telephone AT. 4175

3555

3556

5073

TREATMENT REQUISITION

OREGON PHYSICIANS Service

Must Be Furnished at First Call To Doctor

DIVISION OFFICE
1214 S. W. 6th AVE.
PORTLAND 4, OREGON
ATWATER 8691

O.P.S. USE ONLY (Code)

Cover.....

Service.....

Starting Date.....

Procedure.....

Diagnosis.....

INDUSTRIAL ACCIDENTS ARE NOT COVERED

To be used only by Employe Full Coverage Member.
Valid only when presented to O.P.S. Physicians' Office.

Name..... Continuous member since..... DATE

O.P.S. Membership No.....

Employe of..... Contract No.....

has paid dues for period ending:..... 19....., and requires treatment.

Issued by..... on..... DATE

Signature of Subscriber.....

Address of Subscriber.....

FOR DOCTOR'S USE

Bills cannot be cleared for payment unless complete information is given.

DIAGNOSIS:.....

Date of onset (present episode)..... Date of origin..... (If prior history)
(If more than one condition involved, distinguish dates of onset. Use reverse side of bill if necessary.)

CAUSE: (*Check one*): ☐ Sickness ☐ Traffic accident ☐ Industrial injury ☐ Injury from other cause ☐ Occupational disease

Status of case: (*Check one*): Total number of calls this month.....

☐ New this month; completed this month. ☐ Continued from previous month; completed.
☐ New this month; continued into next month. ☐ Continued from previous month; continued.

Itemization of professional services:

DATE	SERVICE RENDERED	Fees

..... Code No.....
Attending Physician

O.P.S. USE ONLY

Type of Coverage

Effective Date

Service.....

Fee.....

FS 3OM 6-K 12-47 Nights, Sundays and Holidays Telephone AT. 4175 3556

will procure, subject to the provisions of this contract, hospital, medical and surgical treatment, and other services, in the following cases:

(a) Accidental injury sustained by the member during the term of his coverage, except that resulting from an industrial accident;

(b) Acute illness suffered by the member during the term of his coverage, except acute illness symptomatic, diagnosed and being treated, or symptomatic, or diagnosed, or being treated, at the time when the member will first become entitled to the benefits of this contract.

(c) Chronic illness which will have originated after the member's first six months of continuous coverage hereunder will be entitled to the benefits of this contract. Chronic illness which will have become active or will have manifested itself during the member's first six months of coverage under this contract, will not be covered nor be subject to the benefits of this contract. A chronic illness originating, or diagnosed or treated, or becoming symptomatic, prior to the time when the member will have first become entitled to the benefits of this contract is not covered by this contract. A "chronic illness", as used herein, is defined to be an ailment of prolonged duration characterized by slowly progressing symptoms, as differentiated from an "acute illness", which hereby is defined to be an ailment of recent origin progressing speedily to a crisis and requiring immediate medical and surgical care or immediate medical or surgical care. The term "chronic" disease shall specifically include, without being limited to, such conditions as goiter, stomach ulcers, gall stones, kidney stones, traumatic deviated septums, sinus conditions, hernia, cancer (including treatment by radium), diseased tonsils, tuberculosis, neoplasms, chronic appendicitis, heart disease, diseases of the prostate gland and diseases of the female reproductive organs.

13. EXCLUSIONS AND LIMITATIONS:

(a) The benefits of this contract do not apply to any of the following: Neither industrial accidents, nor injuries nor diseases falling within the provisions of any industrial insurance or Workmen's Compensation Law or contract (whether the member or his employer will have elected to accept, or to reject, the benefits of such law or contract) to which the member is, or could be, eligible, nor insanity, mental disorders, pregnancy nor childbirth, nor any results of any thereof, nor conditions requiring dental services of any type customarily performed by dentists, nor venereal diseases, alcoholism, drug addiction, dysorthea, deformities, congenital physical defects, attempts at suicide, injuries resulting from professional competitive sports, nor any result of any thereof, nor injuries nor illnesses sustained in, or resulting from, the member's commission of a crime, nor any condition excluded by any other provision of this contract, nor any condition which will be active, symptomatic, diagnosed, or under treatment, at or before the time when the member will become entitled to the benefits of this contract, nor injuries occurring to the member prior to his becoming entitled to the benefits of this contract, nor injury resulting from an act of personal violence in which the injured member will have been the aggressor, nor injury nor illness sustained by the member as a result of his use of intoxicating liquor, drug or narcotic if the use of such intoxicating liquor, drug or narcotic will have been a primary cause of such injury or illness. Certification in connection with any physical examination incident to services rendered hereunder shall not be the responsibility of O.P.S.

(b) O.P.S. shall not be required to procure hospital, nursing or ambulance services for diseases, or the results thereof, subject to quarantine, but O.P.S. will procure physician's services in such cases when necessary.

(c) All benefits provided for by this contract are, and will be, limited to one year from the date of first treatment of any specific condition involved, resulting from a separate and distinct cause. The procurement of hospital care is, and will be, limited to sixty (60) days of full service, plus an additional sixty (60) days for which O.P.S. will accept responsibility for one-half of the cost, excepting that in a case involving a cerebral condition, tuberculosis, malignant neoplasms, heart diseases, or cardiovascular renal disease the period of hospital service is, and will be, limited to sixty (60) days. O.P.S.' responsibility for procuring hospital and sanitarium care or hospital or sanitarium care for a tuberculosis case is, and will be, limited to a cost not greater than that prevailing in a case receiving sixty (60) days of care at the Oregon State Tuberculosis Hospital. The procurement of a private room is, and will be, limited to fifteen (15) days in any one case. The period of fifteen days provided herein for private room accommodations shall be deemed part of the total hospital and sanitarium care, or hospital or sanitarium care, provided for herein. Special nursing care is, and will be, limited to fifteen (15) days' service in any one case.

(d) Materials for allergy treatment will not be procured. O.P.S. will procure such services of a physician or surgeon cooperating with O.P.S. as will be required for the performance of necessary blood transfusions, and the cost of procuring blood, if it be provided by professional donors, will be borne by O.P.S.

(e) The benefits of this contract do not apply to any injury resulting from employment, or any result thereof, it being understood that the medical, surgical, hospital and other care for such cases are, and will be, procured (if procured) under the supervision and control, and at the expense, of the State Industrial Accident Commission, or other insurance carrier, or the Employer, or others, and not O.P.S.

(f) The benefits of this contract do not apply to any injury or illness of the member caused by the negligence or wrongful act of any other person, except to the extent that if the member entitled to the benefits of this contract shall be injured, or shall suffer illness, because of the wrongful act or negligence of any other person and thereafter shall make all reasonable efforts to recover from such other person and anyone responsible or answerable for such other person's negligence or wrongful act, O.P.S. will procure for the member the benefits of this contract which cannot be made available out of funds reasonably recoverable from, or through, such other person. Such funds shall be deemed not reasonably recoverable from, or through, such other person if it shall reasonably appear that should an action therefor be prosecuted, and judgment therefor be obtained, against such person and anyone responsible or answerable for such other person's negligence or wrongful act, execution on such judgment would be unavailing.

(g) In order to make it financially possible for O.P.S. to procure the services stipulated in this contract, the member, when requiring hospital care, surgical operations or medical services for any of the conditions covered by this contract, shall be entitled thereto only in hospitals approved by O.P.S. for rendering such services, and by physicians, surgeons and specialists cooperating with O.P.S. (who, for convenience, are described in this contract as "cooperating" physicians, surgeons, or specialists) for this purpose, except as provided otherwise for emergency services.

(h) No benefit, right or interest of the member under this contract can be assigned or transferred, and any such attempted assignment or transfer shall be invalid and void.

14. PAYMENTS OF ENROLLMENT FEE AND DUES AND SUBSCRIPTION REQUIREMENTS.

In consideration of the agreements hereinabove set forth, to be kept and performed by O.P.S., the member hereunder agrees to pay to O.P.S. the single enrollment fee stated below, and dues on an advance quarterly basis, with a grace period of ten (10) days at the start of each quarterly period, in accordance with the application card pertaining to this contract and hereby made a part hereof, during the time this agreement shall remain in effect, as follows:

(a) Single enrollment fee of one dollar ($1.00), payable only once for each continuous period of coverage.

(b) Ten dollars and fifty cents ($10.50) per quarter (three months) as dues.

(c) Only the employed individual member is, or shall be, eligible for coverage hereunder. However, this contract shall in no way affect, or interfere with, possible coverage of members of the employed individual's family under another type of O.P.S. coverage.

(d) Any employed individual eligible for coverage hereunder may enroll up to the age of sixty-five (65) years.

15. EFFECTIVE PERIOD AND TERMINATION PROVISIONS.

It is understood and agreed by and between the parties hereto that this agreement shall remain in full force and effect for one year beginning with the effective date stated in the application card pertaining hereto. In the event that payment shall not be received in accordance with Section 14 hereof, O.P.S. shall have the right to cancel this agreement at any time by rendering notice in writing of such cancellation, to be effective at the end of the period for which dues previously have been paid.

In the interests of making this contract service as satisfactory as possible for the subscribing member at all times and of insuring the continued stability of the coverage plan from the cost standpoint, it is further agreed that O.P.S. shall have the right to change or amend any of the benefits and/or rates of dues provided herein to be effective as of the first day of any month by rendering written notice to the member concerning such revision at least forty-five (45) days prior to the effective date of such revision. However, in such an event the member shall have the privilege of terminating this agreement effective on the first of the month date of proposed change by sending written notice of such termination to O.P.S. at least fifteen (15) days prior to such date. O.P.S. reserves the right to readjust, refund or bill additional dues hereunder, if such may be necessary in making the stipulations of this section effective.

While by its terms this agreement expires at the end of one year from the effective date stated on the application card pertaining hereto, it is agreed that unless one party to this agreement gives to the other, at least fifteen (15) days before the expiration of said period, written notice of its election that the agreement shall terminate at the said time, it will continue in full force and effect for the succeeding calendar year and thereafter will continue in full force and effect from year to year unless, at least fifteen (15) days prior to the expiration of any contract year one party shall give to the other written notice of its election so to terminate.

OREGON PHYSICIANS' SERVICE

Semi-Full Coverage

CERTIFICATE

For Employed Individuals

This certificate provides specified coverage for: Medical and surgical services; Services of specialists; Hospital services; Ambulance service; Certain allied services.

OREGON PHYSICIANS' SERVICE

1214 S.W. 6th Ave. Portland 4, Oregon
455 Ferry Street, Salem, Oregon
225 Medford Building, Medford, Oregon

SPONSORED AND APPROVED BY THE OREGON STATE MEDICAL SOCIETY

You Should Read Your Agreement

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H

The summary on the reverse side of this identification card is not a contract, nor does it include all the provisions of the Service Certificate to which this card was attached. Each member's benefits are expressly subject to all additional provisions of the Service Certificate and to O.P.S. rules and regulations governing the rendering of medical and hospital services.

510

OREGON PHYSICIANS' SERVICE OFFICES

455 Ferry Street	225 Medford Bldg.	1214 S.W. 6th Ave.
Salem	Medford	Portland 4, Ore.

PRESENT THIS CARD TO THE DOCTOR ON YOUR FIRST VISIT, AND TO THE HOSPITAL UPON ADMITTANCE

In each instance the doctor or hospital will notify O.P.S. that medical or hospital service is being rendered. O.P.S. will verify the subscriber's status and his eligibility for service and acknowledge responsibility to the doctor and/or hospital.

The presentation of an identification card does not necessarily guarantee acceptance of liability by O.P.S.; nor can the doctor or hospital obligate the Service Plan. This can be done only by one of the O.P.S. offices.

The Service Plan cannot honor, except in emergencies, medical or hospital bills resulting from treatment by doctors other than staff physicians and surgeons. Be sure the doctor you select is on the O.P.S. list of cooperating physicians and surgeons. Lists are available at O.P.S. offices.

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Plaintiff's Exhibit 510

SEMI-FULL COVERAGE MEDICAL AND HOSPITAL PLAN — FIRST-VISIT DEDUCTIBLE

OREGON PHYSICIANS' SERVICE

MEMBERSHIP IDENTIFICATION CARD

CERTIFICATE HOLDER

CERTIFICATE NUMBER	MONTH	DAY	YEAR
	EFFECTIVE DATE OF CERTIFICATE		

The insured person shown above is entitled to Medical, Surgical and Hospital services during such periods as dues are paid, subject to the provisions of the Semi-Full Coverage Medical and Hospital Service Plan.

W. C. Marshall
GENERAL MANAGER

SUMMARY OF BENEFITS

Medical services.
Hospitalization.
X-Ray services.
Laboratory examinations.
Ambulance.
Nursing.
Medicines for hospitalized cases.
Emergency care outside of Oregon.

SUMMARY OF EXCLUSIONS AND LIMITATIONS

Pre-existing conditions.
Chronic conditions that become active in the first six months of membership.
Pregnancy and childbirth.
Dental services.
Venereal disease.
Industrial accidents.
Mental disorders.
FIRST VISIT TO DOCTOR.

SEE REVERSE SIDE

W558

OREGON PHYSICIANS' SERVICE

Special Medical and Hospital Coverage Certificate for Employed Individuals

WITNESSETH: That subject to all terms and conditions hereinafter set forth, which are hereby made a part of this certificate, OREGON PHYSICIANS' SERVICE, sometimes hereinafter called O.P.S., an Oregon Corporation, having offices situated at Salem, Portland and Medford, in the State of Oregon, hereby agrees to procure, and make available, at the expense of O.P.S., the hereinafter stipulated services to the person, specified hereinafter as a "member":

CERTIFICATE HOLDER

CERTIFICATE NUMBER	MONTH	DAY	YEAR
	EFFECTIVE DATE OF CERTIFICATE		

QUARTERLY DUES PAYMENT

AMOUNT		BEGINNING DATE		
DOLLARS	CENTS	MONTH	DAY	YEAR

Only an employed individual having a yearly net taxable income of $6,000 or less shall be eligible for coverage hereunder. This certificate shall be voided immediately and all benefits hereunder forfeited in the event that the subscriber's yearly net taxable income shall prove to be higher than $6,000. The application card pertaining to this certificate shall constitute a part hereof.

IN WITNESS WHEREOF, Oregon Physicians' Service has caused this certificate to be executed by its duly authorized agent.

OREGON PHYSICIANS' SERVICE

W. C. Marshall
General Manager

1. **MEDICAL AND SURGICAL SERVICES:** Except as otherwise provided in this contract, O.P.S. will bear the expense of necessary medical and surgical services required by the member entitled to the benefits of this contract, for illness or non-occupational injury, such services to be rendered by physicians or surgeons authorized by O.P.S. (hereinafter, for convenience, sometimes called physicians, surgeons or specialists cooperating with O.P.S.), who will render such services at their respective offices, or at hospitals approved by O.P.S., or at the member's home, or at the place of occurrence of an emergency illness or injury. Services elsewhere than at such physician's or surgeon's office will be procured only when the illness or injury of the member is such as to render him unable to travel to such physician's or surgeon's office. The member entitled to the benefits of this contract shall be allowed unrestricted choice from amongst available physicians and surgeons cooperating with O.P.S. for the treatment of illness or injury.

It is specifically agreed that the first call on or by a physician in each separate and distinct case of illness or injury shall be the private responsibility of the member and payment therefor shall be made privately by the member direct to the physician; O.P.S. shall bear no responsibility hereunder with reference to such first call in any case but shall provide all services specified in this contract for any coverable case beginning with the second call on, or by, a physician. However, such exclusion of O.P.S. responsibility for coverage of the first call in other types of cases shall not apply in the treatment of coverable fractures and dislocations nor in the actual rendition of coverable major and minor surgical service.

For the purposes of this section, a "first call" shall be deemed to include the physical examination and/or treatment given at the time of the patient's office visit to the physician; but shall not include X-ray services, laboratory services, or special tests such as electrocardiograms or basal metabolism tests.

2. **EMERGENCY CARE:** If injury or illness shall occur within the State of Oregon to the member entitled to the benefits of this contract and the services of a physician or surgeon cooperating with O.P.S. shall not be available to him, then, and in that event, the member may obtain the services of the most conveniently available doctor of medicine licensed by the Oregon State Board of Medical Examiners, to render emergency services to the injured or ill member until such time as a physician or surgeon cooperating with O.P.S. can render such member his services, in which event the expense of such emergency services excepting for the first call as specified in Section 1, will be defrayed by O.P.S. to the extent of an amount equal to the established O.P.S. rates for such services. The member shall immediately notify O.P.S. of his requiring, and receiving, such emergency services. Failure so to notify O.P.S. shall relieve O.P.S. of all responsibility for the care of the member other than for actual emergency treatment. Such emergency treatment shall include surgical operation or extended hospital care only when specifically authorized by O.P.S.

3. **CARE OUTSIDE OF OREGON:** The member entitled to the benefits of this contract if injured or taken ill while out of the State of Oregon but within the continent of North America, and not elsewhere, shall be entitled to receive the services of a state-licensed doctor of medicine, and hospital services for serious cases, in the nearest city or town in which such services may be available and the costs of such services shall be paid by O.P.S. excepting for the first call as specified in Section 1, to the extent of an amount equal to the established O.P.S. rates for such services. It shall be the duty of such injured or ill member to notify O.P.S. as soon as possible of his requiring, and receiving, such services. Failure on the part of such member to give such notice to O.P.S. shall relieve O.P.S. from all responsibility for the care of such member other than for actual emergency treatment. Such emergency treatment shall include surgical operation or extended hospital care only when specifically authorized by O.P.S.

4. **SPECIALISTS:** Services of specialists cooperating with O.P.S. will be procured on the recommendation of the attending physician or surgeon cooperating with O.P.S. Services of eye, ear, nose and throat specialists will be procured when required for the care of injury or disease of the eye, ear, nose or throat.

5. **MEDICINES FOR HOSPITALIZED CASES:** O.P.S. will procure all necessary medicines, medical and surgical supplies which may be used or prescribed by a physician or surgeon cooperating with O.P.S. in the treatment of the member while receiving necessary care in a general hospital approved by O.P.S. as stipulated in this contract. Serums and antitoxins, and the administering thereof, will be procured for the treatment and prevention, or the treatment or prevention, of virulent diseases, including pneumonia, diphtheria, typhoid fever, smallpox, erysipelas, tetanus, infantile paralysis, meningitis, scarlet fever, undulant fever, rabies, malaria fever and amoebic dysentery, in case the member will definitely have been exposed to, or will have contracted, the disease and if such use will constitute accepted therapy or prophylaxis.

6. **HOSPITAL SERVICES:** O.P.S. will bear the expense of hospital services and accommodations, when required for the treatment of the member, in general hospitals approved by O.P.S., and as will be authorized by O.P.S. Such hospital services will include ward accommodations, board, services of an hospital staff nurse, use of surgery, X-ray, laboratory service, and medical and surgical attendance, to the extent hereinafter provided. Private rooms will be procured in cases of serious nature, which in the judgment of the attending physicians or surgeons cooperating with O.P.S., require quiet surroundings and special care. Should the injured or ill member not require special services, but desire a private room in such hospital, O.P.S. will pay such part of the cost of such private room as O.P.S. would be required to pay for ward service during the same period of time. O.P.S. shall not be liable to the member or to any other person, for its inability or failure to procure hospital ward accommodations or other hospital accommodations or other services or accommodations by reason of epidemic, disaster or other cause, or condition beyond the control of O.P.S.

7. **AMBULANCE SERVICE:** O.P.S. will procure when necessary, ambulance service, or other appropriate transportation, for conveying the member, if seriously ill or injured, to the nearest general hospital approved by O.P.S., for hospital service in the event that ordinary transportation shall not be appropriate.

8. **SPECIAL NURSING:** Special nursing services will be procured by O.P.S. for a serious, hospitalized case when, in the judgment of the attending physician or surgeon cooperating with O.P.S., special nursing services will be required.

9. **X-RAY SERVICE:** X-ray service will be procured by O.P.S. in case of suspected fracture, and in other injury or medical cases, when use of X-ray shall be deemed advisable by the attending physician or surgeon cooperating with O.P.S.

10. **PHYSICAL THERAPY:** Physical therapy will be procured by O.P.S. when, in the judgment of the attending physician or surgeon cooperating with O.P.S., such treatment shall be indicated.

11. **REFRACTIONS:** Eye examinations and testing for eye glasses will be procured or eye specialists cooperating with O.P.S., provided that the member will have been subject to O.P.S. coverage continuously for three or more months before the occasion therefor shall arise, unless such service shall be necessary in the treatment of an acute illness or injury. Eye glasses will not be procured by O.P.S.

12. **MEDICAL, SURGICAL AND HOSPITAL COVERAGE:** This contract includes within its operation, and covers, and O.P.S

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Plaintiff's Exhibit 512

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OREGON PHYSICIANS' SERVICE

COMMERCIAL MEDICAL AND HOSPITAL GROUP CONTRACT

CONTRACT, made and entered into on this ..... day of ....., 19....

BY AND BETWEEN OREGON PHYSICIANS' SERVICE, an Oregon corporation having offices situated at Salem, Portland and Medford, in the State of Oregon, and being licensed to conduct the business of an hospital association under the laws of the State of Oregon, hereinafter called "O. P. S.";

AND ....., hereinafter called "the Employer";

WITNESSETH: O. P. S., in consideration of the sums of money to be paid to it by the Employer as hereinafter provided, hereby agrees to procure, and make available, at the expense of O. P. S., to each employe entitled to the benefits of this contract with the Employer and working in connection with the Employer's operations at ...., from time to time as occasion demands during the life of this contract, medical and surgical services, hospital accommodations, ambulance service, and other benefits as follows, subject to the conditions outlined in Sections I through V below:

SECTION I—SERVICE BENEFITS

(a) PROFESSIONAL SERVICES OF O. P. S. COOPERATING STAFF PHYSICIANS AND SURGEONS: O. P. S. will bear the expense of necessary medical and surgical services required by each employe entitled to the benefits of this contract, such services to be rendered by O. P. S. cooperating staff physicians or surgeons. Services elsewhere than at such physician's or surgeon's office will be procured only when the illness or injury of the employe requiring such services is such as to render him unable to travel to such physician's or surgeon's office. Each employe entitled to the benefits of this contract shall be allowed unrestricted choice from amongst O. P. S. cooperating staff physicians and surgeons subject to the limitations specified in subsection (b) below.

(1) FIRST CALL ON OR BY PHYSICIAN OR SURGEON: It is specifically agreed that the first call on or by a physician in each separate and distinct case of illness or injury shall be the private responsibility of the employe, and payment therefor shall be made privately by the employe direct to the physician. O. P. S. shall provide all services specified in this contract for any case beginning with the second call on or by a physician. However, such exclusion of O. P. S. responsibility for coverage of the first call shall not apply in the treatment of coverable fractures, dislocations nor in the actual rendition of coverable major and minor surgical services. For the purpose of this subsection it is specifically agreed that O. P. S., subject to the provisions of this contract, shall bear the expense of all X-ray services, laboratory services and special tests as may be required at the time of the patient's first visit to the physician or the physician's first visit to the patient.

(b) PROFESSIONAL SERVICES OF O. P. S. COOPERATING STAFF SPECIALISTS: Services of O. P. S. cooperating staff specialists will be procured upon the recommendation and referral, according to O. P. S. regulations, by the attending O. P. S. cooperating physician or surgeon. Services of O. P. S. cooperating staff Eye, Ear, Nose and Throat Specialists will be procured when required either with or without referral by the attending O. P. S. cooperating staff physician or surgeon.

(c) HOSPITAL SERVICES: O. P. S. will bear the expense of hospital services when required, in general hospitals approved by O. P. S., such hospital services will include ward accommodations in a ward of four or more beds, board, services of a hospital staff nurse, use of surgery, anesthesia, X-ray, laboratory services. O. P. S. shall not be liable to the employer or any employe or any other person for its inability or failure to procure hospital ward accommodations or other services by reason of epidemic, disaster, or other cause or condition beyond the control of O. P. S.

5079 (1) MEDICINES FOR HOSPITALIZED CASES: O. P. S. will procure all necessary medicines, drugs, medical and surgical supplies which may be used or prescribed by an O. P. S. cooperating staff physician or surgeon in the treatment of the employe

while a registered bed patient in a general hospital approved by O. P. S. as stipulated in this contract. (Medicines and drugs are not furnished in non-hospitalized cases.)

(2) SPECIAL NURSING SERVICES: Special nursing services will be procured by O. P. S. while the employe is a registered bed patient in a hospital when in the judgment of the attending O. P. S. cooperating staff physician or surgeon such services will be required because of the seriousness of the patient's condition. Such special nursing services will be provided for a maximum of thirty days in any one condition, except that such services shall not exceed a maximum of 240 hours total special nursing services in any one condition.

(3) PRIVATE ROOM SERVICES: Private room will be procured when in the judgment of the attending O. P. S. cooperating physician or surgeon the employe's condition is such as to require a private room. Such private room services shall be limited to a maximum of fifteen days for any one condition. The period of fifteen days provided herein shall be deemed a part of the total hospital care provided for herein. Should the injured or ill employe desire a private room even though his condition would not warrant such services under this contract, O. P. S. will pay such part of the costs of such private room as O. P. S. would be required to pay for ward service during the same period of time.

(d) SERUMS, ANTITOXINS AND PROPHYLACTIC MEASURES: Serums and antitoxins, and the administering thereof will be procured for the prevention of virulent diseases including pneumonia, diphtheria, typhoid fever, smallpox, erysipelas, tetanus, meningitis, scarlet fever, rabies, malaria fever and amoebic dysentery, in case the employe will definitely have been exposed to or will have contracted the disease and if such use will constitute accepted therapy or prophylaxis. O. P. S. will procure such prophylactic measures as may be reasonably necessary in preventing the spread of disease among employes of the employer. This service shall include cooperation with the State Board of Health in the analysis of drinking water and general sanitation work.

(e) FIRST-AID SUPPLIES: First-aid supplies for the use of employes in illness and non-occupational accident

cases will be procured and delivered by O. P. S. to the Employer and will be maintained during the life of this contract at such places as will be indicated by the Employer and approved by O. P. S. All unused supplies shall be returned to O. P. S. at the termination of this contract. If requested, O. P. S. will procure first-aid supplies for industrial accidents at the expense of, and by prearrangement with, the agency responsible for industrial medical aid.

(f) X-RAY SERVICES: X-ray service will be procured by O. P. S. when use of X-ray shall be deemed advisable by the attending O. P. S. cooperating staff physician or surgeon.

(g) PHYSICAL THERAPY SERVICES: Physical therapy services will be procured by O. P. S. when in the judgment of the attending O. P. S. cooperating staff physician or surgeon such treatment shall be indicated.

(h) AMBULANCE SERVICE: O. P. S. will procure ambulance service, or other appropriate transportation for conveying the seriously ill or injured employe to the nearest general hospital approved by O. P. S. Such services shall not exceed a maximum cost in any one case of $30.00, and any ambulance or other transportation expense in excess of this amount shall be borne by the employe.

SECTION II—CLASSES OF INJURIES AND ILLNESSES COVERED

This contract covers, and O. P. S. will procure the services hereinbefore described in Section I in the following classes of injuries and illness:

5080 (a) ALL INJURIES AND ILLNESSES THAT REQUIRE MEDICAL, SURGICAL, HOSPITAL OR RELATED CARE DURING THE LIFE OF THIS CONTRACT: except those for which the services of this contract are limited by sub-sections (b) through (d) of this section, and those specifically excluded from coverage by Section III below, "Exemptions and Limitations".

(b) PRE-EXISTING CONDITIONS COVERED: Illnesses and injuries that were symptomatic, diagnosed, or being treated before the employe's coverage under this contract became effective, will be covered for such services as are required after the employe has been under the coverage of this contract for a minimum period of twelve

consecutive months immediately prior to the need for such service, except that O. P. S. shall bear only 75% of the expense of the previously listed hospital services for any such condition; it being understood that the employe shall bear personally 25% of the cost of the previously listed hospital services for any such condition. It is further understood that the benefits of this paragraph will in no event act to increase the base time limits set forth in Section I (c) nor shall it act to extend the days of hospitalization beyond the initial sixty days of hospitalization as provided in Section III (b)-(1).

(c) SIX MONTHS WAITING PERIOD: Should medical, surgical, hospital or related care be requested for any of the following injuries, illnesses, or defects during the employe's first six months of his current period of coverage under this contract, such illnesses, injuries or defects shall automatically be classed under sub-section (b) above and shall become subject to the benefits of this contract only in accordance with sub-section (b) above: allergies, anxiety tension state, appendix (surgical removal), arthritis, asthma, cancer, cardiovascular diseases, cystocele, deviated septums, diabetes, diseases or defects of the female reproductive organs, gall stones, goiter, hay fever, heart disease, hemorrhoids, hernia, kidney stones, menopause, neoplasms, obesity, pelvic inflammatory disease, prolapse of uterus, prostatitis, rectocele, stomach ulcers, "tired or run down" conditions, tonsils (surgical removal), tuberculosis and varicose veins. Should any of the above conditions first require treatment after the employe has been continuously covered by this contract for a minimum of six consecutive months, immediately prior to his request for service, such conditions shall be covered without regard to this paragraph, but subject to all other provisions of this contract.

(d) CREDIT FOR PREVIOUS O. P. S. MEMBERSHIP: For the purposes of this Section II and sub-sections (a) through (c) credit toward the waiting period requirements of this contract will be given to employes for periods of coverage under other O. P. S. contracts, provided such periods of prior coverage will have immediately preceded such employe's coverage under this contract.

SECTION III—EXEMPTIONS AND LIMITATIONS

The benefits of this contract do not apply to any of the following:

(a) EXEMPTIONS:

(1) Industrial injuries or occupational diseases (as classified by the Oregon Workmen's Compensation Law and/or the Oregon State Industrial Accident Commission) incurred or arising during the course of gainful employment.

(2) Service-Connected Injuries and Diseases.

(3) Insanity or Mental Disorders.

(4) Pregnancy or Maternity Benefits.

(5) Venereal Diseases.

(6) Alcoholism.

(7) Drug Addiction.

(8) Known Congenital Physical Defects.

(9) Injuries resulting from professional competitive sports, or any result thereof.

5081 (b) LIMITATIONS:

(1) HOSPITAL SERVICES: Hospital care is and will be limited to sixty days of full service, plus an additional sixty days for which O. P. S. will accept responsibility for one-half the cost, excepting that in a case involving a cerebral condition, tuberculosis, malignant neoplasms, heart disease or cardiovascular renal disease, the period of hospital service will be limited to sixty days. O. P. S. responsibility for procuring hospital or sanitarium care in a tuberculosis case is and will be limited to a cost not greater than that prevailing in a case receiving sixty days care at the Oregon State Tuberculosis Hospital.

(2) YEAR'S LIMITATION—EXTENDED BENEFITS: All benefits provided for by this contract will be limited to one year from date of first treatment of any condition involved arising from a separate and distinct cause. However, should an employe whose services under this contract for a particular illness or injury have ceased because of this limitation, still require medical or surgical care in a hospital, O. P. S. will extend the benefits of this contract to such employe for such particular condition so long as the employe is confined to a hospital and until such time as the

employe will have been furnished a maximum of sixty days total hospitalization for the particular condition involved. For these extended benefits O. P. S. will defray 75% of the cost of the listed hospital services and the employe shall personally assume responsibility for 25% of the cost of listed hospital services. It is understood that the benefits of this paragraph will in no event act to increase the base time limits set forth in Section I (c) nor shall it act to extend the days of hospitalization beyond the initial sixty days of hospitalization as provided in Section III (b)-(1).

(3) BLOOD TRANSFUSIONS: O. P. S. will furnish the services of its cooperating staff physicians or surgeons as will be required for the performance of necessary blood transfusions. The cost of procuring blood will be borne by O. P. S. only in the event that blood necessary for transfusions is not available to the employe through a free "blood bank", and only if provided by professional donors.

SECTION IV—CONDITIONS OF SERVICE AND SERVICE PREREQUISITES:

(a) NOTICE TO PHYSICIAN THAT EMPLOYE IS COVERED BY THIS CONTRACT: In the event of illness or injury coverable under this contract the employe must select and place himself under the care of a doctor of medicine who is an O. P. S. cooperating staff physician or surgeon. When first applying for services under this contract such employe must notify his O. P. S. cooperating staff physician or surgeon that he is covered by this contract. Failure of the employe to promptly notify the O. P. S. cooperating staff physician or surgeon that he is covered by this contract shall be conclusively deemed to be a waiver of his rights to the professional services of O. P. S. cooperating staff physicians under this contract for the particular illness or injury involved; however, such failure shall not prejudice the employe's rights to other benefits of this contract to which he might be entitled in the care and treatment of the particular illness or injury involved.

(b) INCOME LIMITATION ON MEDICAL SERVICE BENEFITS: For any person covered by this contract who has had over the preceding three calendar years an average annual net income for state income tax purposes of more than $6,000, the payments to O. P. S. cooperating staff

physicians by O. P. S. on behalf of such person shall constitute allowances toward the physicians' total charges for professional services rendered hereunder, and the attending O. P. S. cooperating staff physicians may in such instances, render such person additional charges for their professional services rendered. For those employes who do not fall within the above classification the payments to cooperating staff physicians by O. P. S. shall constitute full payments for the physicians' professional services and such employes shall not be required to make any additional payments for professional services covered hereunder.

5082 (c) ARBITRATION PROVISIONS: Should O. P. S., either upon, or without the advice of an attending physician or surgeon cooperating with O. P. S. at any time determine that any employe of the Employer, is not, or will not be, entitled to the treatment, or any treatment, herein stipulated, and that such employe's case is of a class excluded, or partially excluded, from the benefits of this contract, then, and in that event, either the Employer or the employe shall have the right to employ a competent practising medical physician or surgeon, duly licensed to practise in the State of Oregon, to examine such employe for the purpose of advising such employe whether such determination made by O. P. S. is correct. If such consulting physician or surgeon and O. P. S. shall be unable to agree in such respect, then in that event, O. P. S. and the Employer shall select another competent, practising medical physician or surgeon, duly licensed to practise in the State of Oregon, as arbiter to decide whether such determination made by O. P. S. is correct. Such decision of such arbiter shall, when made, be final. If such decision shall be contrary to such determination made by O. P. S., then O. P. S. shall pay a reasonable fee to such consulting physician or surgeon and also a reasonable fee to such arbiter for their respective services in such matter. If such decision made by such arbiter shall substantially coincide with such determination made by O. P. S., then, in that event, such employe shall pay such fees of such consulting physician or surgeon and such arbiter, respectively.

(d) ASSIGNMENT OR TRANSFER: No benefit, right or interest of either the employer or the employe under this contract can be assigned or transferred, and any such attempt at assignment or transfer shall be invalid and void.

(e) PHYSICIANS, SURGEONS AND HOSPITALS APPROVED BY O. P. S.: Employes requiring hospital care, surgical operations, or medical services for any of the conditions covered by this contract shall be entitled thereto only in hospitals approved by O. P. S. for rendering such services, and from physicians and specialists cooperating with O. P. S., and who are described in this contract as "O. P. S. Cooperating Staff Physicians, Surgeons and Specialists", except as otherwise provided for in sub-sections (f) and (g) below.

(f) EMERGENCY CARE: If illness or injury shall occur within the State of Oregon to an employe entitled to the benefits of this contract, and the services of an O. P. S. cooperating staff physician or surgeon shall not be available to him, then, and in that event, the employe may obtain the service of the most conveniently available doctor of medicine licensed by the Oregon State Board of Medical Examiners to render emergency services to the injured or ill employe until such time as a physician or surgeon cooperating with O. P. S. can render such services. In such event the expense of such emergency services, subject to the other provisions of this contract, will be defrayed by O. P. S. to the extent of an amount equal to the established O. P. S. rates for such services. The employe shall immediately notify O. P. S. of his receiving such emergency services. Failure to so notify O. P. S. shall relieve O. P. S. of all responsibility for the care of the employe other than for actual emergency treatment. Such emergency treatment shall include surgical operations or extended hospital care only when specifically authorized by O. P. S.

(g) CARE OUTSIDE OREGON: An employe entitled to the benefits of this contract if injured or taken ill while outside the State of Oregon but within the continent of North America, shall be entitled to receive services of a state licensed doctor of medicine, and hospital service for serious cases, in the nearest city or town in which such services may be available, and the cost of such services shall be paid by O. P. S., subject to the provision of this contract to the extent of an amount equal to the established O. P. S. rates for such services. It shall be the duty of such injured or ill employe to notify O. P. S. as soon as possible of his receiving such services. Failure on the part of such employe to give such notice to O. P. S. shall relieve O. P. S. from all responsibility for the care of such employe other than for actual emergency treatment. Such emer-

gency treatment shall include surgical operation or extended hospital care only when specifically authorized by O. P. S.

5083 (h) THIRD PARTY RESPONSIBILITY: The benefits of this contract do not apply to any injury or illness of the member caused by the negligence or wrongful act of any other person, except to the extent that if the member entitled to the benefits of this contract shall be injured, or shall suffer illness, because of the wrongful act or negligence of any other person and thereafter shall make all reasonable efforts to recover from such other person and anyone responsible or answerable for such other person's negligence or wrongful act, O. P. S. will procure for the member the benefits of this contract which cannot be made available out of funds recoverable from, or through, such other person. Such funds shall be deemed not reasonably recoverable from, or through, such other person if it shall reasonably appear that should an action therefor be prosecuted, and judgment therefor be obtained, against such other person and anyone responsible or answerable for such other person's negligence or wrongful act, execution on such judgment would be unavailing.

(i) O. P. S. RIGHT TO EXAMINE RECORDS: It is specifically understood and agreed that each employe, by placing himself under the protection of this contract, grants O. P. S. the right to examine all medical, hospital, and other records pertaining to any injury or illness or symptoms for which the benefits of this contract are claimed. This right of O. P. S. shall include all records prepared from the date the injury, illness, or symptoms first manifest themselves.

SECTION V—GENERAL PROVISION

(a) ACCEPTANCE—REJECTION OF COVERAGE BY EMPLOYE: This contract shall cover and apply to all employes of the employer except those employes who shall reject the coverage of this contract in accordance with Chapter 344, Oregon Laws 1941, as amended by Chapter 298, Oregon Laws 1945, as outlined below. Any employe may reject the coverage of this contract at the time when this contract is executed or at the time of his employment or within thirty days thereafter if he is entering such employment after the date of the execution of this contract. Rejection by an employe shall consist of written notice to

the employer of his desire to do so, either within thirty days of the date of his initial employment, or not less than thirty days in advance of the anniversary date of this contract. The employer shall not retain any part of the wages of any employe who will have filed such a notice of rejection, and such employe shall not be entitled to any of the benefits of this contract.

(1) WITHDRAWAL OF REJECTION: Any employe who will have filed such notice of rejection may, by withdrawing his rejection, have the right to come under the coverage of this contract as of the next succeeding January 1st or July 1st, whichever shall occur sooner by giving written notice to O. P. S. through his employer of his intention to come under the coverage of this contract, not less than thirty days prior to the date his coverage shall become effective.

(2) EMPLOYE COVERED BY THIS CONTRACT IN ERROR: Any employe who will have rejected coverage of this contract at the time of his employment or will have for any other reason failed to elect to come under the coverage of this contract within the first thirty days of his employment, and who shall subsequently come under the coverage of this contract through error or otherwise on any date other than the next succeeding January 1st or July 1st shall not be entitled to any of the benefits of this contract, except beginning on the next succeeding January 1st or July 1st, whichever shall occur sooner, but shall be entitled to a refund of any dues withheld under the terms of this contract for any periods during which the benefits of this contract should be declared unavailable to him because of the application of this sub-section.

(3) NOTICE TO O. P. S. OF EMPLOYES INTENTION TO COME UNDER COVERAGE OF THIS CONTRACT: Under no circumstances shall the benefits of this contract be made available to any employe who shall have rejected or failed to come under this contract at the time of his initial employment with the employer, until O. P. S. shall have received written notice to the effect that such employe desires to come under the coverage of this contract.

5084 (b) PAYROLL DEDUCTIONS AND PAYMENTS: In consideration of the promises and undertakings hereinbefore set forth to be kept and performed by O. P. S.,

the employer hereby promises and agrees to pay to O. P. S. on or before the fifteenth day of each and every month during the life of this contract the following dues:

(1) Three dollars and fifty cents ($3.50) for each employe covered by this contract who will have commenced his employment on or before the first day of the current calendar month.

(2) One dollar and seventy-five cents ($1.75) for each for each employe covered by this contract who will have commenced his employment after the fifteenth day of the current calendar month, and who will have been employed for four or more days in such month.

(3) By reason of the employer's paying to O. P. S. the employe's dues for the current month on or before the fifteenth day of the current month, proper dues for such employes as enter the employment of the employer after the fifteenth day of the current month will have to be reported and their dues paid to O. P. S. together with the next succeeding month's dues payment. For such employe, the employer shall pay to O. P. S. three dollars and fifty cents ($3.50) for the current month—plus one dollar and seventy-five cents ($1.75) for each employe who shall commence his employment after the fifteenth day of the preceding month and shall have worked four or more days in such preceding month. For those employes who shall have worked any of the last three days of the preceding calendar month, and who have continued their employment into the current month, the employer shall pay to O. P. S. three dollars and fifty cents ($3.50) for the current month plus ten cents ($.10) per day for each day worked in the preceding calendar month.

(4) EMPLOYES ENTITLED TO SERVICE FROM OTHER HOSPITAL ASSOCIATIONS: The Employer shall not be required to pay to O. P. S. dues for the current month for any employe who, upon entering the employment of the Employer, shall hold a receipt entitling him to medical, surgical and hospital accommodations procured by any medical service organization engaged in such business in Oregon or Washington. This exemption from payment of dues shall apply only to the month in which such employe will have commenced his employment with the Employer.

O. P. S. shall not be required to procure any of the services stipulated in this contract for any accidental injury sustained by such employe or for any illness suffered by such employe during the period for which the Employer is exempted from paying dues, it being intended that in the event of such injury or illness the employer shall look to such medical service organization which will have issued such receipt to him, for such services.

(5) EMPLOYES LEAVING EMPLOYMENT BEFORE END OF DUES PERIOD: In case any employe for whom the Employer will have paid to O. P. S. the dues for the next succeeding calendar month, or a next succeeding period of days or for whom the Employer will have deducted such amount from the wages payable to such employe for such payment thereof, shall leave the employment of the Employer before such calendar month, or other period will have expired, such employe shall, nevertheless, be entitled to receive all such benefits provided by this contract as he would have been entitled to receive if he had not left such employment, with respect to injury or illness which may occur to such employe during such calendar month, or other period, for which such dues thus will have been paid.

(6) TEMPORARY SHUT-DOWNS — ARRANGEMENTS FOR DUES: An employe temporarily away from his work, because of seasonal plant shut-down or plant shut-down due to labor dispute, may, at his option, preserve his coverage by this contract by applying individually therefor to O. P. S. within ten days after the date of such plant shut-down and making arrangements satisfactory to O. P. S. and the Employer, among employes to continue their coverage by this contract by arranging for salary deductions of dues upon their return to work for the period during which coverage by this contract will have been continued. Such coverage, however, shall not continue longer than two months without the actual payment of dues monthly in
5085 advance.

(7) RIGHT TO EXAMINE PAYROLL: The Employer promises and agrees that O. P. S. may, at reasonable times, examine the payroll of the Employer for the purpose of auditing it with respect to dues agreed to be paid to O. P. S. by the Employer.

(c) WARRANTY OF SERVICE FULFILLMENT: O. P. S. shall render a warranty of service-fulfillment in keeping with the provisions of this contract in the event that the employes of the Employer will immediately prior to the effective date of this contract, have been entitled to the benefits of a like, or substantially similar, medical and hospital service contract issued by another medical contractor. In such event, such warranty of service-fulfillment shall be executed by O. P. S. and shall be affixed to this contract.

(d) REVISION: O. P. S. shall have the right at any time to modify the benefits, and to adjust the consideration, or to modify the benefits, or to adjust the consideration, of this contract, consistent with changing conditions, and such revision may be made effective on the first day of any month by the giving by O. P. S. of written notice of such revision to the Employer at least forty-five (45) days prior to the effective date of such revision which will be stated in such notice. In such event, the Employer shall have the privilege of terminating this contract on the first day of the month in which such revision will become effective by giving written notice of such termination to O. P. S. at least fifteen (15) days prior to such first day of such month.

(e) TERM AND TERMINATION: This contract shall remain in full force and effect from the ..... day of ....., 19....., to the thirty-first day of December, 19....., or for such part of such period as the parties hereto (including the employes) shall perform and observe their respective obligations under this contract, and this contract can be cancelled and terminated, without liability therefor, by either the Employer or O. P. S. by his or its giving thirty (30) days' notice in writing to the other of them of such termination in the event of the making of breach or default by such other with respect to its or his obligations under this contract. In the event that payment of dues shall not be received by O. P. S. from the Employer punctually in accordance with Section V—Sub-section (b) of this contract, time being of the essence hereof, O. P. S. shall have the right to cancel and terminate this contract, without liability therefor, at any time by giving fifteen (15) days' notice in writing of such cancellation to the Employer.

(f) RENEWAL: The term of this contract will expire on said thirty-first day of December of said year last above-mentioned. However, unless either O. P. S. or the Employer

shall give to the other of them, at least thirty (30) days prior to said last-above-mentioned date, written notice of its or his election that this contract shall not be renewed on said date, this contract shall be deemed renewed on said date, with like effect, to all intents and purposes, as if re-executed on said date by O. P. S., and the Employer, to continue in full force and effect for the next succeeding calendar year and likewise annually thereafter shall be deemed to be renewed and to continue in full force and effect from year to year, unless and until at least thirty (30) days prior to the expiration of any calendar year either O. P. S. or the Employer shall give to the other of them written notice of its or his election not so to renew this contract.

IN WITNESS WHEREOF, O. P. S. and the Employer have caused this contract to be executed (in duplicate) on the date hereinabove first written by their respective undersigned officers, pursuant to due authorization so to do heretofore granted to such officers, respectively.

.....
EMPLOYER

By.....

Title .....

OREGON PHYSICIANS' SERVICE

By.....
Manager

Plaintiff's Exhibit 513

5086 LIST OF COMPANIES IN SOUTHERN OREGON DISTRICT SERVED BY INDUSTRIAL HOSPITAL ASSOCIATION

****

KLAMATH FALLS

Ackley Lumber Company
California Oregon Power Co.
California Pacific Utilities Co.
Turner Chevrolet Company

MEDFORD

California Oregon Power Co.
California Pacific Utilities Co.
C. E. Gates Auto Co.
Jackson Hotel

M. & M. Department Store
Medford Auto Freight Terminal
Southern Oregon Credit Bureau
Southern Oregon Sugar Pine Co.
Virgin's Broadcasting Co.—K.M.E.D.

GRANTS PASS

California Oregon Power Co.
California Pacific Utilities Co.
City of Grants Pass
Golden Rule Corporation
Grants Pass Courier
Lewis Investment Co.
W. S. Maxwell Company
Rogue River Box Company
Rogue River Hardware Co.
Shell Oil Company
Ben Spalding Lumber Co.
Sugar Pine Lumber Co.
C. A. Winetrout Company

ROSEBURG

California Oregon Power Co.
California Pacific Utilities Co.
Mac's Market

GLENDALE

Glendale Fire Department

COQUILLE

Coquille Postal Employees
Kline Logging Company
M. W. Ray Logging Co.
Western Condensing Co.
Southwestern Motors Co.
Geo. Bryant Logging Co.

ASHLAND

California Pacific Utilities Co.

TRAIL

Geo. L. Jantzer Lbr. Co.

MYRTLE POINT

Ruther & Schmitz

CUSHMAN

LaDuke Lumber Co.

BOOTH

Crown Willamette Paper Co.
Tillamook Spruce & Veneer Co.

MARSHFIELD

Marshfield Postal Employees

Plaintiff's Exhibit 514

5087 January 28, 1939

Mr. A. J. Bateman
Southern Oregon Credit Bureau
Medford, Oregon

Dear Mr. Bateman:

The medical society of Jackson County undertook to invoke a boycott against the Industrial Hospital Association on January 1, but this will not prohibit us from continuing to give all persons under the coverage of our medical contracts complete service.

For your information, will say that we have gone through similar experience in other counties, as in recent years when the medical societies have found that their opposition to medical contracts was meeting with no success, then they undertook to get control of this service through their own societies. They have found that they have been unable to compete with the older-established hospital associations on an equal basis for the reason that the larger associations are in position to give so much more broad and complete service than is offered by the local county medical society organizations. When the society organizations have found they could not get the business on the basis of legitimate competition, some of them have then resorted to attempts at boycott. These attempts have not been successful for the reason that they are based upon a principle which is resented by both employers and employees.

In Medford, the desire among the physicians of the medical society to invoke a boycott is far from unanimous. However, where it might possibly be embarrassing to a doctor, who otherwise is entirely friendly to our organi-

zation, to accept our tickets, we have decided to follow the same procedure as we have done in other counties under similar circumstances and have the employee go to the doctor as a private patient, obtain from the doctor an itemized statement of services rendered with diagnosis, forward the bill to us and we will send the check to the patient to pay the doctor. We believe your employees
5088 will receive the best service by patronizing the doctors whose attitude towards us is not unfriendly. These doctors include the following:

Dr. Chas. T. Sweeney
Dr. W. W. Howard
Dr. Russell R. Sherwood
Dr. W. G. Bishop
Dr. L. D. Inskeep
Dr. C. I. Drummond
Dr. A. F. Walter Kresse
Dr. A. J. Loeffler
Dr. F. J. Moffatt

It may be that some of the doctors who are not on this list would be just as willing to be fair to our organization and cooperate along the lines herein indicated as those we have named and, if so, we have no objection to using their services. We do believe, however, that it will be to the best interest of all of us if we confine our patronage, for the time being, to the doctors who are friendly.

You will readily see that if the medical society should be successful in invoking a boycott which would drive out of the county the Industrial and National hospital associations, you would then be helplessly in the hands of the medical society as to the rates you would have to pay and the amount of service you would be allowed to receive. The medical society has just as much right to engage in the hospital contract business as we, or anyone else has, but it is our opinion that they should do so on a competitive basis and when they have something better to offer than the employees already have, they will get the business but they are not entitled to attempt to enforce employers and employees to take their service by compulsion.

Without exception, the employers who have our contracts in Jackson County have indicated their purpose to give us their support at this time and we certainly greatly appreciate this attitude. We trust that you will feel the same way about the matter. To summarize, when your

employees require medical service, if one of the doctors we have named does not feel he is free to accept a ticket, employees should go ahead and obtain the services that may be necessary and get from the doctor an itemized bill with diagnosis and forward the same to us so that we might send the money to the employee to pay the doctor bill.

Very truly yours,
INDUSTRIAL HOSPITAL ASS'N.
WTK D General Manager

Plaintiff's Exhibit 515

5089 123 Medford Building Office Phone 720

SOUTHERN OREGON CREDIT BUREAU
INCORPORATED
REPORTS AND COLLECTIONS EVERYWHERE

MEDFORD, OREGON

January 27th, 1939

Industrial Hospital Ass'n,
Medical Arts Bldg.,
Portland, Oregon.

Gentlemen:

The Physicians of Medford advised us that in the future they will not accept your Blue slips as payment for services and have so notified us that we must pay cash for medical care.

The Drug Stores are no longer honoring Industrial Hospital slips.

Please advise us what your plans are regarding this situation and how we are to secure medical care if we continue to contribute to your organization.

Yours very truly,
SOUTHERN OREGON CREDIT BUREAU
By (Signed) A. J. BATINA

AJB/fws

Plaintiff's Exhibit 516

5090 January 24, 1939

Southern Oregon Sugar Pine Co.
Medford
Oregon

Gentlemen:

We enclose our check in refund of the amount paid by Mr. Harold Hedgpath for his leg injury. As we are paying for the crutches, we would like to have Mr. Hedgpath return the crutches to the company as soon as he is finished with them so that they might be available for further use.

At the present time, it is not possible for us to give you a list of the names of the physicians in Medford who are certain to accept hospital tickets, but it is possible for us to give you the names of the doctors whose attitude it not unfriendly to us and who will cooperate in seeing that your employees are properly taken care of with as little inconvenience as possible.

In some instances, the doctors may feel justified in accepting the tickets, and in others, the doctors may feel that the compulsion put upon them by the medical society, prevents them from accepting any hospital tickets at this time and in such cases, they will issue their bill in the name of the patient and when the bill is sent to us, we will make refund to the patient so he may pay the doctor.

Of all the employers with who we have medical contracts in the Medford district that we have interviewed, not one has failed to give us their support in resisting an attempt on the part of the medical society to invoke a boycott against us.

The Jackson County Medical Society organized a hospital association about two years ago, which they were entirely justified in doing, as they have as much
5091 in conducting a hospital association business as we have. They found, however, that they could not make much headway in getting the business in competition with the older established hospital associations for the reason that the older associations were in position to give so much broader and more complete service than could be given by the local organization. So the local organization decided to attempt a boycott as a means of compelling the employers and employees to accept their contracts.

Medical societies in other counties have tried the same procedure, but without much success, so we feel that the situation in Medford will soon clarify itself and in the meantime, we expect to continue to give service to all employees covered by our contracts, although it may be necessary in some instances to make refunds to employees instead of paying the doctors direct.

The names of the doctors whom we recommend because of their attitude towards us are:

Dr. Charles T. Sweeney
Dr. W. W. Howard
Dr. Russell R. Sherwood
Dr. W. G. Bishop
Dr. L. D. Inskeep
Dr. C. I. Drummond
Dr. A. F. Walter Kresse
Dr. A. J. Loeffler
Dr. F. J. Moffatt

You will note that the name of Dr. Findley is not in the above list. However, we have no objection at all to Dr. Lindley's services as long as he is fair in his handling of cases under our contracts, which he undoubtedly shows in the case of Mr. Hedgpath.

We trust you will give us your support at this time and allow us to work this thing out to your benefit as well as our own.

Very truly yours,
INDUSTRIAL HOSPITAL ASS'N.
General Manager

WTK D
Encl.

Plaintiff's Exhibit 517

5092 SOUTHERN OREGON SUGAR PINE CO.

P. O. Box 1006
MEDFORD, OREGON

January 21, 1939

Industrial Hospital Association,
Medical Arts Bldg.,
Portland, Oregon.

Gentlemen:

We are inclosing certificate #2011 together with two invoices which this man had to pay out of his own money as the doctors he went to refused to honor this certificate. Please mail us your check to cover this.

Please let us know what you are doing to line up the doctors here as we do not care to make ded*—uctions from our employee's when the doctors won't honor these certificates.

Yours very truly,
SOUTHERN OREGON SUGAR PINE CO.,
By (Signed) HENRY E. VAN DYKE

Plaintiff's Exhibit 518

5093 January 20, 1939

Mr. M. F. Clemenson
Hotel Jackson
Medford, Oregon

Dear Mr. Clemenson:

At the present time, the Jackson County Medical Society which evidently is not able to compete with our service on a business basis, is now attempting to evoke a boycott and thereby compel employers and employees in the Medford district to take their service as against the services of other associations.

All the employers with whom we have discussed this situation, very much resent the tactics being used by the Medford doctors. Boycott efforts have been made by medical societies in other counties and they have soon petered

out, as they are based upon a wrong principle in so far as obtaining business is concerned.

In the meantime, however, some of the physicians who have been accepting our hospital tickets, will no longer accept them and it may be necessary for us to handle the services under our contract in an indirect manner by having the employees needing services go to the doctors as private patients, obtain an itemized statement of services with diagnosis, send the statement into us, and we will issue our check to the employees, who in turn will pay the doctor.

We believe that some of the doctors, however, will accept our tickets, but at the present time, we do not care to make a definite statement to that effect. In carrying on our service it is more desirable for us to patronize the doctors whose attitude towards us is not unfriendly. These include the following doctors:

Dr. Chas. T. Sweeney
Dr. W. W. Howard
Dr. Russell R. Sherwood
Dr. W. G. Bishop
Dr. L. D. Inskeep
Dr. C. F. Drummond
Dr. A. F. Walter Kresse
Dr. A. J. Loeffler
Dr. F. J. Moffatt

You mention the fact that you prefer the service of Dr. Findley. We are perfectly willing to accept bills from Dr. Findley, at least until it is demonstrated that he will not act fairly towards us. If he does act friendly towards us, we shall be glad to continue to accept bills from him, as we have no personal antagonism towards him.

We believe it will be to your interest, as well as ours, to resist the boycott movement. You can readily see that if the Jackson County Medical Society should be successful in dominating the medical service in that district through the means of a boycott, that when the other associations were driven out of the field, you would be entirely at their mercy as to rates and coverage.

We trust we may have your support at this time.

Very truly yours,

INDUSTRIAL HOSPITAL ASS'N.

General Manager

WTK D